



South Central Idaho News

BLAINE, CAMAS, CASSIA, GOODING, JEROME, LINCOLN, MINIDOKA & TWIN FALLS COUNTIES

ECONOMIC TRENDS

Apparently, the ground hog did see his shadow this year, but the weather has not followed the urban myth. The days are getting longer, and there is sunshine and even balmy temperatures at times. Spring fever has hit south central Idaho, and although the work force numbers are indicative of a colder month, optimism is sprouting. Who wouldn't be optimistic with the high percentage of workers on the job in area communities and the commercial construction that is continuing in the region? There is that nagging concern of employers who seek workers with hard and soft skills in a market where most people already have jobs, but that is a much better problem than high unemployment, a lack of opportunities or stagnant growth. The labor scarcity will be resolved with creativity, research and discipline. Area employers cannot match the benefit packages put together by corporate giants like California-based Google.com which pampers its 10,000 employees with such perks as 11 themed cafes providing organic produce, hormone-free meats and other specialty foods. But even without a huge work force, companies are still interested in staying in south central Idaho for the quality of life and the lower cost of doing business. Companies are not only interested in staying in the region but expanding. Companies continue "kicking the tires" as they look for places to relocate. The region has challenges, but a cadre of economic development professionals, cooperative educational programs and local business people have been working together to make growth happen.

UNEMPLOYMENT RATE

The December unemployment rate for the Twin Falls-Jerome Micropolitan Statistical Area increased just one-tenth of a percentage point from November to 3 percent. The construction sector experienced significantly fewer layoffs over the year and finished with 24.6 percent more workers than in December 2005. This is partly due to the extra labor needed to build the new Church of Jesus Christ of Latter-day Saints temple in Twin Falls, which broke ground in mid-April.

Builders who prepared for winter by ensuring structures were enclosed enough so

South Central Idaho Table 1: Twin Falls-Jerome MicSA Labor Force & Employment—Twin Falls and Jerome counties

	Dec 2006*	Nov 2006	Dec 2005	% Change From	
				Last Month	Last Year
INDIVIDUALS BY PLACE OF RESIDENCE					
<i>Seasonally Adjusted</i>					
Civilian Labor Force	49,900	50,260	47,610	-0.7	4.8
Unemployment	1,520	1,460	1,550	4.1	-1.9
% of Labor Force Unemployed	3.0	2.9	3.3		
Total Employment	48,380	48,800	46,060	-0.9	5.0
<i>Unadjusted</i>					
Civilian Labor Force	50,010	50,410	47,900	-0.8	4.4
Unemployment	1,480	1,390	1,470	6.5	0.7
% of Labor Force Unemployed	3.0	2.8	3.1		
Total Employment	48,530	49,020	46,430	-1.0	4.5
JOBS BY PLACE OF WORK					
Nonfarm Payroll Jobs**	40,420	40,510	38,420	-0.2	5.2
<i>Goods-Providing Industries</i>	7,390	7,190	6,360	2.8	16.2
Natural Resources & Mining	40	40	30	0.0	33.3
Construction	2,530	2,500	2,030	1.2	24.6
Manufacturing	4,820	4,650	4,300	3.7	12.1
Food Manufacturing	2,610	2,460	2,480	6.1	5.2
Other Manufacturing	2,190	2,180	1,820	0.5	20.3
<i>Service-Providing Industries</i>	33,030	33,320	32,060	-0.9	3.0
Trade, Transportation & Utilities	10,260	10,370	9,940	-1.1	3.2
Wholesale Trade	1,870	1,840	1,830	1.6	2.2
Retail Trade	5,960	6,090	5,730	-2.1	4.0
Utilities	170	170	150	0.0	13.3
Transportation & Warehousing	2,260	2,270	2,230	-0.4	1.3
Information	600	620	600	-3.2	0.0
Financial Activities	1,660	1,660	1,730	0.0	-4.0
Professional & Business Services	5,030	5,220	5,110	-3.6	-1.6
Educational & Health Services	3,520	3,510	3,350	0.3	5.1
Leisure & Hospitality	3,220	3,200	2,910	0.6	10.7
Other Services	1,430	1,410	1,330	1.4	7.5
Government Education	3,320	3,360	3,290	-1.2	0.9
Government Administration	3,990	3,970	3,800	0.5	5.0

*Preliminary Estimate

**Full- or part-time jobs of people who worked for or received wages in the pay period including the 12th of the month

skilled trades could continue to work during the cold weather also contributed to the increase.

TWIN FALLS

- One of Twin Falls long-time employers, Longview Fibre, was bought by an investment company, Brookfield Asset Management Inc. of Toronto, Canada, for \$1.6 billion and the assumption of \$518 million in debt. There are no immediate plans to close or downsize Longview Fibre's

pulp and paper mill in Longview, Wash., or its 15 corrugated container plants in 12 states, including the Twin Falls site, according to company officials. "We already manage 2 million acres of timberlands in North and South America, including 635,000 acres on the British Columbia west coast proximate to Longview's timberlands in the Pacific Northwest. The acquisition of Longview's timberlands will significantly expand our timberland asset management operations and solidify our position as the fourth largest owner/manager of timberlands in North America by value," said Sam Pollock, managing partner of Brookfield. The Twin Falls plant manufactures containers primarily for companies within a 150-mile radius, although one of its largest clients is Amazon.com in Reno, Nev. The Twin Falls plant is a union shop and has been a very stable employer since 1971 with relatively insignificant labor turnover and higher-than-average wages for the region. This transaction is subject to approval by Longview Fibre shareholders and other conditions.

- Jayco Trailers continues work on its facility expansion. Equipment will be moved into both new facilities in mid-March with workers starting their shifts in mid-April in the first building and late April in the second. With the expansion, Jayco can continue building the Jay Flight travel trailer in lengths from 29 feet to 33 feet in 14 different floor plans and the JTX series travel trailer in three different floor plans. The expansion will ramp up the Jayco work force by approximately 145 to over 300 employees total.
- The College of Southern Idaho is awaiting state legislative approval of \$21 million for a new nursing building and expanded nursing program. According to college officials, prospects for approval are high. The expanded program should increase the number of registered nursing graduates by 25 percent in 2009. The college will graduate 180 this year. Expanding its health care program has been a focus of the college because of the highly publicized nursing crisis in Idaho and nationwide as aging baby boomers continue to need additional health care.
- Construction continues on Poleline Road. There have been announcements of future projects including several franchise restaurants, the Hilton Garden Inn and Ameritel Inn. Both hotels are being developed by a Boise-based hospitality group, Ameritel Inns Inc. The company is run by Glen Black and his family, who have been developing and managing hospitality properties for over 30 years. They currently own and manage properties in Idaho, Utah, Washington, Oregon and Nevada. These properties will work together with existing retail and restaurants in and around the mall along with a nearby Wal-Mart that will start construction in April. The new St. Luke's Magic Valley Regional Medical Center will also bring construction jobs in 2007 not only for the hospital but also for the development of complementary medical office space.

MINIDOKA AND CASSIA COUNTIES

- Ground was broken for the new ethanol plant on 177 acres west of Burley. The company, Pacific Ethanol, plans to be operating within the year using corn from local growers. The property has direct access to both the Union Pacific Railroad and Interstate 84. The by-product of the process, wet distiller's grain, will be shipped to local dairies and feedlots for use as feed. The plant location was chosen for dual reasons — the proximity to Salt Lake City and Boise as fuel markets, and the convenience of the livestock population for disposing of the by-product. The company identified the area's 300,000 dairy cattle and 100,000 feedlot cattle as sufficient population to use the by-product. If the plant had been located in the Midwest, an additional process of drying the wet distiller's grain would have been necessary prior to shipping. The plant will employ up to approximately 50 workers with an average annual payroll of \$1.5 million.
- Dr. Ron Christensen has opened a new chiropractic office in Burley. He is the sole practitioner with an administrative support staff to assist with patients.
- Renova Energy, which operates Wyoming Ethanol LLC in Torrington, Wyo., is building an ethanol plant in Heyburn that will employ 25 and produce 20 million gallons of ethanol per year.

BLAINE COUNTY

- After 17 years and four attempts, voters approved a \$10.46 million bond to build a new jail and law enforcement complex in Hailey at the Airport West light industrial park. The complex will house 44 prisoners and 20 work-release inmates and will provide space for a sheriff's office and a county dispatch center. This bond will cost the average property owner about \$8 a year. Construction will cost \$13 million with the county providing \$2 million that has been set aside for that purpose. Blaine County officials plan to start construction in early May.
- The Sun Valley Co. has announced plans to replace the oldest chair lift at the ski resort and expand to include more runs.
- Chateau Drug, a landmark business in Giacobbi Square in the heart of Ketchum, has been sold to California businessman Ken Sangha. The drugstore originally opened in 1970 and survived a fire in 1983 as well as changes to the ownership and to the mix of merchandise over the years. Keith Anderson has been the constant since opening the drug store in 1970. Anderson, along with his current partners, Gene Steiner and Don Leonard, believes the current staff will be retained and some updating to the drugstore may occur.

Jan Roeser, Regional Economist
420 Falls Ave., Twin Falls, ID 83301
(208) 735-2500, ext. 3639
E-mail: jan.roeser@cl.idaho.gov